

GEORGIA REVENUE QUARTERLY



Roy E. Barnes, Governor

T. Jerry Jackson, Commissioner

DOR Agents Participate In Large Video Poker Raid

Four Department of Revenue agents participated in a large-scale raid on video poker establishments in Hart and Franklin counties on Sept. 27.

DOR and Georgia Bureau of Investigation undercover agents played video poker at 44 establishments in the two counties between Sept. 22 and Sept. 24. At 24 establishments, the agents were given cash payoffs, which violate Georgia law.

The raid resulted in 461 machines being seized and approximately \$197,000 was taken out of the machines or confiscated at the business sites. As of Oct. 3, 37 individuals had been arrested on commercial gambling charges.

The raid was carried out by approximately 100 agents representing the DOR, the GBI and local law enforcement agencies in Hart and Franklin counties.

GBI Director Buddy Nix described the operation as "the largest of its kind ever carried out in the state of Georgia."

He indicated that more raids would be conducted if video gambling continues to be a problem in Georgia.

The activity was the latest in several

activities conducted by DOR agents to enforce Georgia's gaming machine laws.

On Aug. 22, DOR agents issued six citations and seized in place 26 coin operated amusement machines during compliance inspections in Hart County.

Bona fide coin operated machines in Georgia require the payment of or the insertion of a coin to operate and must require some skill on the part of the player.

"Video poker machines became illegal in South Carolina in July and we have been receiving reports that many of those machines are being moved into Georgia," said Georgia Revenue Commissioner T. Jerry Jackson.

"DOR does not enforce gambling statutes but we are responsible for ensuring amusement machines are correctly licensed," the Commissioner added.

Many of the inspected machines had South Carolina stickers attached to them.

During the inspections, DOR agents also issued two citations for alcohol violations.

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Gaming Machines Confiscated In September Raid

DOR Assumes Tobacco Laws Enforcement Role

Beginning July 1, the Georgia Department of Revenue became responsible for enforcing the state's underage laws regarding tobacco products.

Georgia law prohibits persons under the age of 18 from purchasing, possessing or using tobacco products and prohibits the selling of tobacco products to minors.

"The intent of our enforcement is to reduce the availability of tobacco products to individuals under 18 years of age," said Georgia Commissioner of Revenue T. Jerry Jackson.

Commissioner Jackson reminds all retail dealers of tobacco products that a state license is required to deal in cigars and cigarettes. The license is currently available without charge.

Retailers can obtain Tobacco License Application forms at DOR's Central Office, 270 Washington Street in Room 207 or by contacting any Special Agent of the Alcohol and Tobacco Division at DOR's regional offices located throughout the State. The forms are also available via the Internet at: <http://www2.state.ga.us/Departments/DOR/>.

"DOR's Alcohol and Tobacco Division has begun compliance check operations," Commissioner Jackson said. "The goal of these checks is to determine compliance with applicable laws and regulations while raising retailer's awareness of

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Commissioner's Letter

The Department recently received two prestigious awards highlighting our commitment to better serve Georgia's taxpayers.

In August we were presented a Hammer Award by the National Partnership for Reinventing Government. The award is given to groups who made significant contributions in support of reinventing government by putting customers first.

In September, our Unclaimed Property Section was presented with the "Service With A Smile" award at the National Association of Unclaimed Property Administrators conference. The members of the Unclaimed Property Holder Liaison Council selected our people as the friendliest and most helpful unclaimed property section in the nation. The Council consists of approximately 200 businesses nationwide, each of which gets one vote.

We are very proud of these awards as they reinforce the efforts we have made to improve the courtesy and helpful service that we provide to Georgia's taxpayers.

Another initiative we have instituted to improve customer service is the beginnings of a call center. We have established a telephone number that will quickly put individuals in contact with the right person to answer their question or handle their problem. The centralized number within the metro Atlanta calling area is 404-656-8477. Outside the metro area, the toll-free number is 877-602-8477.

We recently mailed approximately 5,650 notices to taxpayers who have a tax credit. The notice gives them the option of having the credit applied to their next year's return or they can request a refund of the over payment.

Additional mailings will be made in December and February.

We believe the majority of the taxpayers who have a credit are self employed and made quarterly estimated tax payments.

Prior to our Y2K computer upgrade, we were unable to easily identify taxpayers who were carrying a credit balance. The credit was automatically carried forward to the next year. Thus if a taxpayer forgot about the credit, it continued to be carried forward without his/her knowledge.

The proposed regulations implementing H.B. 1509 and H.B. 1510, which were passed during the 2000 legislative session should be ready for public comment by mid October.

H.B. 1509 creates new job tax credits for companies defined as "business enterprises." This includes businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, research and development industries or the headquarters of any of these businesses. It also includes a new headquarters company job tax credit.

H.B. 1510 is a continuation of the Governor's BEST Legislation. The bill amends the manufacturing machinery exemption and creates four new sales and use tax exemptions including a computer equipment exemption for high technology companies.

The newly formed Georgia Technology Authority began operations on July 1. Its goal is to make it easier for citizens to do business with state agencies. Through centralized and coordinated planning and purchasing of technology, it will be easier for agencies to exchange information and data. GTA will also be able to leverage the state's purchasing power, which will lower costs.

It is anticipated there will be a two or three-year transition before all aspects of the state's new information technology structure is fully operational.

We are working closely with GTA representatives to gain approval for initiatives that we believe will help us provide better service to Georgia's taxpayers.

T. Jerry Jackson
Commissioner



The Department of Revenue's Unclaimed Property section was recently recognized for its outstanding customer service by the Unclaimed Property Holder Liaison Council. The Council voted Georgia's Unclaimed Property Section as the friendliest, most helpful and providing the highest quality of service among all unclaimed property sections nationwide. Holding the "Service With A Smile" award is Cheri McGiboney, Manager of DOR's Unclaimed Property Section, and Georgia Commissioner of Revenue T. Jerry Jackson.

DOR's Unclaimed Property Launches Online Search Site

Find out if you are among the 800,000 owners of unclaimed property in the State of Georgia's database.

The Department of Revenue has launched an unclaimed property site where individuals can initiate their own online search.

The web site address is www2.state.ga.us/departments/dor/ptd/index.html.

The Disposition of Unclaimed Property Act protects the rights of owners of abandoned property and relieves those holding the property of the continuing responsibility to account for the property.

Under the Act, when someone holds property that belongs to someone else, but has lost contact with the owner for a specified period the holder must turn the property over to the State.

The State serves as the custodian for any property remitted under the Act allow-

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Telephone Changes

The area code for three Department of Revenue regional offices changed effective Aug. 1.

The affected offices and new numbers are:

- Albany 229-430-4241
- Douglas 229-389-4094
- Macon 478-751-6055

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the requirements and responsibilities of dealing in tobacco products.”

The Commissioner urges dealers to comply voluntarily with the laws and regulations.

“Those dealers or persons found not to be in compliance with the law face criminal and civil penalties,” Jackson warned.

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ing the owners or their heirs an opportunity to claim their property in the future.

The holding period is the time that must elapse before the property is considered abandoned and reportable to the State. The duration depends on the type of property held.

For more information about unclaimed property in Georgia visit the section’s web site or contact the office at 404-656-4244.

The mailing address is Georgia Department of Revenue, Property Tax Division, Unclaimed Property Section, 270 Washington Street, Room 404, Atlanta, GA 30334.

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On Sept. 12, DOR agents returned to three establishments that had been inspected on Aug. 22 and physically took possession of 15 machines.

The machines had not been properly licensed during the three-week interval.

In Georgia, owners of coin operated amusement machines must purchase a master license, which has a fee ranging from \$250 to \$1,500 depending on the number of machines covered by the license. Each machine must have a sticker attached that cost \$25.

As of Oct. 2, there were 717 master license holders in Georgia and there were 51,185 licensed machines. During FY 2000, more than \$1.8 million was collected in amusement machine fees.

Tax Issues On November Ballot

Georgia voters will vote on two state constitutional amendments and three statewide referendum questions, which have tax implications during the November general election.

Constitutional amendment two asks if the constitution should be amended to provide for a homeowner’s incentive adjustment for ad valorem property tax relief. The proposal provides for an adjustment on the ad valorem tax return of each taxpayer claiming the statewide homestead exemption. The amount of the adjustment may be up to \$18,000 or the assessed value of the homestead or the taxpayer’s ad valorem tax liability on the homestead, whichever is lower.

Constitutional amendment 6 asks if the constitution should be amended to create a separate class of property for ad valorem property tax purposes to be known as marine vessels. It would also create separate subclasses of marine vessels for tax purposes.

Under referendums, question A asks if family owned farms should be given an exemption from ad valorem taxation for farm tractors, combines and all other equipment other than motor vehicles used in the production of agricultural products.

Question B asks the personal property ad valorem tax exemption granted to manual laborers with respect to tools and implements of trade be increased from \$300 to \$2,500.

Question D asks if Elk Lodges should be excluded from all ad valorem taxes for state, county, municipal and school purposes.

All constitutional amendments and statewide referendums can be viewed at the Secretary of State web site: <http://www.sos.state.ga.us/>.



Georgia Revenue Commissioner T. Jerry Jackson accepts the Hammer Award from Judith B. Tomaso, Internal Revenue Service Program Director, Taxpayer Treatment and Service Improvement, during a ceremony at the Summit Building in Atlanta on Aug. 17. The award was presented jointly to the DOR, IRS and Kroger for the organizations’ partnership to help Georgia taxpayers during the tax filing season. Especially noteworthy was the last minute assistance provided by state and federal employees during “midnight madness” at Kroger locations throughout Georgia on April 17, 2000. The Hammer Award, administered by the National Partnership for Reinventing Government, is presented to groups who have made significant contributions in support of reinventing government by putting customers first.

Revenue Collections Up For FY 2001

State Revenue Commissioner T. Jerry Jackson announced on Oct. 6, that net revenue collections for the first quarter of fiscal year 2001 totaled \$3,392,202,056.72 compared to \$3,177,903,692.58 for the same period during fiscal year 2000. This is an increase of \$214,298,364.14 or 6.7 percent.

For the month of September, collections totaled \$1,178,209,775.82 compared to \$1,101,778,532.65 for September 1999. This was an increase of \$76,431,243.17 or 6.9 percent.

FY 2000 Collections Through September Compared To FY 1999 Through September

Revenue Source	Total	Difference	Percentage
*Sales & Use	1,289,935,048.56 Up	123,323,034.20	10.6%
Motor Fuel	116,448,239.47 Down	(1,414,683.96)	-1.2%
Individual Income	1,655,605,652.14 Up	137,588,290.44	9.1%
Corporate Income	184,532,453.09 Down	(18,348,463.61)	-9.0%
Cigar & Cigarette	11,493,153.92 Down	(4,124,305.71)	-26.4%
Motor Vehicle	43,770,879.87 Up	1,827,344.89	4.4%
Liquor	8,631,893.24 Down	(216,926.74)	-2.5%
Malt Beverage	15,544,788.92 Down	(2,747,216.44)	-15.0%
Estate	41,606,679.75 Up	6,283,921.51	17.8%
Property	4,081,089.12 Down	(511,176.93)	-11.1%
Wine	3,720,171.40 Down	(728,536.49)	-16.4%
Miscellaneous	16,832,007.24 Down	(26,632,917.02)	-61.3%

*Includes 2nd Motor Fuel Tax (3 months) - \$55,031,002.84